

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

CARLA KEY,
Plaintiff,
v.

Case No.: 1:24-cv-21405

**Complaint for Damages:
Violation of Fair Credit Reporting
Act**

ARC MANAGEMENT GROUP, LLC;
and EQUIFAX INFORMATION
SERVICES LLC.

Defendants.

Plaintiff, Carla Key, by and through undersigned counsel, upon information and belief, hereby complains as follows:

I. INTRODUCTION

1. This action arises out of Defendants' violations of the Fair Credit Reporting Act ("FCRA") whereby Plaintiff discovered inaccurate information reporting on their consumer credit reports, disputed that inaccurate information, and Defendants willfully or negligently refused to correct the inaccurate information on Plaintiff's consumer credit report, damaging Plaintiff.

II. PARTIES

2. Plaintiff is, and was at all times hereinafter mentioned, a resident of the County of Miami-Dade, Florida.

3. At all times pertinent hereto, Plaintiff was a "consumer" as that term is defined by 15 U.S.C. §1681a(3).

4. Defendant, ARC Management Group, LLC ("ARC") is and at all times relevant hereto was, a lending institution regularly doing business in the State of Florida.

5. At all times pertinent hereto, Defendant ARC is a "person" as that term is defined in 15 U.S.C. §1681a(b), and also a "furnisher" of credit information as that term is described in 15 U.S.C. §1681s-2 *et seq.*

1 6. Defendant ARC was at all relevant times engaged in the business of
2 attempting to collect a “debt” from Plaintiff, as defined by 15 U.S.C. § 1692a(5).

3 7. Defendant ARC is a “debt collector” as defined by 15 U.S.C. § 1692a(6).

4 8. Defendant, Equifax Information Services LLC (“Equifax”), is a credit
5 reporting agency, licensed to do business in Florida.

6 9. Defendant Equifax is, and at all times relevant hereto was, regularly doing
7 business in the State of Florida.

8 10. Equifax is regularly engaged in the business of assembling, evaluating, and
9 disbursing information concerning consumers for the purpose of furnishing consumer
10 reports, as defined in 15 U.S.C. §1681a(d), to third parties.

11 11. Equifax furnishes such consumer reports to third parties under contract for
12 monetary compensation.

13 12. At all times pertinent hereto, Defendant Equifax was a “person” and
14 “consumer reporting agency” as those terms are defined by 15 U.S.C. §1681a(b) and (f).

15 16 **III. JURISDICTION AND VENUE**

17 13. That the Court has jurisdiction over this action pursuant to 15 U.S.C. §
18 1681p, the Fair Credit Reporting Act (“FCRA”).

19 14. Venue is proper in this district pursuant to 28 U.S.C. §1391(b) and as the
20 Plaintiff resides in and the injury occurred in Miami-Dade County, Florida and
21 Defendants do business in Florida.

22 15. Personal jurisdiction exists over Defendants as Plaintiff resides in Florida,
23 Defendants have the necessary minimum contacts with the state of Florida, and this suit
24 arises out of specific conduct with Plaintiff in Florida.

25 **IV. FACTUAL ALLEGATIONS**

26 16. Plaintiff is a consumer who is the victim of inaccurate reporting by
27 Defendants ARC and Equifax (collectively, “Defendants”), and has suffered
28 particularized and concrete harm.

1 17. Equifax, Experian, and TransUnion are the three largest consumer reporting
2 agencies (“CRAs”) as defined by 15 U.S.C. §1681a(f).

3 18. The CRAs’ primary business is the sale of consumer reports (commonly
4 referred to as “credit reports”) to third parties and consumers.

5 19. Equifax has a duty, under the FCRA, to follow reasonable procedures to
6 ensure that the consumer reports they sell meet the standard of “maximum possible
7 accuracy.” 15 U.S.C. §1681e(b).

8 20. The Plaintiff discovered the ARC account ABLTY RECVRY on their
9 Equifax consumer report in error (the “Account”).

10 21. The Account is triple reporting as, on information and belief, the Plaintiff
11 only has one account with ARC.

12 22. Defendant ARC continues erroneously to report the Account with a
13 triplicate balance due and owing inclusive of late fees and penalties, and a derogatory
14 status to Equifax.

15 23. The false information regarding the Account appearing on Plaintiff’s
16 consumer reports harms the Plaintiff because it does not accurately depict Plaintiff’s
17 credit history and creditworthiness and overstates credit utilization.

18 24. The Plaintiff has been denied credit and/or refrained from needed credit
19 applications due to the erroneous information associated with the Account.

20 25. The Plaintiff has lost time working to resolve the adverse information
21 associated with the Account to prevent harm.

22
23 **PLAINTIFF’S WRITTEN DISPUTE**

24 26. On or about January 19, 2024, Plaintiff sent a written dispute to Equifax
25 (“Equifax Dispute”), disputing the inaccurate information regarding the Account
26 reporting on Plaintiff’s consumer reports.

27 27. Upon information and belief, Equifax forwarded Plaintiff’s Dispute to
28 Defendant ARC.

28. Upon information and belief, ARC received notification of Plaintiff's Equifax Dispute from Equifax.

29. Upon information and belief, ARC verified the erroneous information associated with the Account to Equifax.

30. ARC failed to conduct an investigation, contact Plaintiff, contact third-parties, or review underlying account information with respect to the disputed information and the accuracy of the Account.

31. Equifax did not conduct an investigation, contact Plaintiff, contact third-parties, or review underlying account information with respect to the disputed information and the accuracy of the Account.

32. Upon information and belief, ARC failed to instruct Equifax to remove the false information regarding the Account reporting on Plaintiff's consumer reports.

33. Equifax employed an investigation process that was not reasonable and did not remove the false information regarding the Account identified in Plaintiff's Equifax Dispute.

34. At no point after receiving the Equifax Dispute did ARC or Equifax communicate with Plaintiff to determine the veracity and extent of Plaintiff's Equifax Dispute.

35. Equifax relied on their own judgment and the information provided to them by ARC rather than grant credence to the information provided by Plaintiff.

COUNT I – EQUIFAX

FAIR CREDIT REPORTING ACT VIOLATION – 15 U.S.C. §1681e(b)

36. Plaintiff re-alleges and reaffirms paragraphs 1-35 as though fully set forth herein.

37. After receiving the Equifax Dispute, Equifax failed to correct the false information regarding the Account reporting on Plaintiff's Equifax consumer report.

38. Defendant Equifax violated 15 U.S.C. §1681e(b) by failing to establish or

1 to follow reasonable procedures to assure maximum possible accuracy in the preparation
2 of the credit reports and credit files Defendant Equifax published and maintained
3 concerning Plaintiff.

4 39. As a result of this conduct, action and inaction of Defendant Equifax,
5 Plaintiff suffered damage, and continues to suffer, actual damages, including economic
6 loss, damage to reputation, emotional distress, and interference with Plaintiff's normal
7 and usual activities for which Plaintiff seeks damages in an amount to be determined by
8 the trier of fact.

9 40. Defendant Equifax's conduct, action, and inaction were willful, rendering
10 Defendant Equifax liable to Plaintiff for punitive damages pursuant to 15 U.S.C. §1681n.

11 41. In the alternative, Defendant Equifax was negligent, entitled Plaintiff to
12 recover damages under 15 U.S.C. §1681o.

13 42. Plaintiff is entitled to recover costs and attorneys' fees from Defendant
14 Equifax, pursuant to 15 U.S.C. §1681n and/or §1681o.

15
16 **COUNT II – EQUIFAX**

17 **FAIR CREDIT REPORTING ACT VIOLATION – 15 U.S.C. §1681i**

18 43. Plaintiff re-alleges and reaffirms paragraphs 1-35 as though fully set forth
19 herein.

20 44. After receiving the Equifax Dispute, Equifax failed to correct the false
21 information regarding the Account reporting on Plaintiff's Equifax consumer report.

22 45. Defendant Equifax violated 15 U.S.C. §1681i by failing to delete inaccurate
23 information in Plaintiff's credit files after receiving actual notice of such inaccuracies,
24 by failing to conduct lawful reinvestigations, and by failing to maintain reasonable
25 procedures with which to filter and verify disputed information in Plaintiff's credit files.

26 46. As a result of this conduct, action and inaction of Defendant Equifax,
27 Plaintiff suffered damage, and continues to suffer, actual damages, including economic
28 loss, damage to reputation, emotional distress and interference with Plaintiff's normal

1 and usual activities for which Plaintiff seeks damages in an amount to be determined by
2 the trier of fact.

3 47. Defendant Equifax's conduct, action, and inaction were willful, rendering
4 Defendant liable to Plaintiff for punitive damages pursuant to 15 U.S.C. §1681n.

5 48. In the alternative, Defendant Equifax was negligent, entitling Plaintiff to
6 recover damages under 15 U.S.C. §1681o.

7 49. Plaintiff is entitled to recover costs and attorneys' fees from Defendant
8 Equifax pursuant to 15 U.S.C. §1681n and/or §1681o.

9 10 11 **COUNT III – ARC**

12 **Fair Credit Reporting Act Violation – 15 U.S.C. §1681s-2(b)**

13 50. Plaintiff re-alleges and reaffirms paragraphs 1-35 as though fully set forth
14 herein.

15 51. After receiving the Equifax Dispute, ARC failed to correct the false
16 information regarding the Account reporting on Plaintiff's consumer report.

17 52. Defendant violated 15 U.S.C. §1681s-2(b) by failing to fully and properly
18 investigate Plaintiff's disputes of Defendant ARC's representations; by failing to review
19 all relevant information regarding Plaintiff's disputes; by failing to accurately respond
20 to credit reporting agencies; by verifying false information; and by failing to
21 permanently and lawfully correct its own internal records to prevent the re-reporting of
22 Defendant ARC's representations to consumer credit reporting agencies, among other
23 unlawful conduct.

24 53. As a result of this conduct, action, and inaction of Defendant ARC, Plaintiff
25 suffered damages, and continues to suffer, actual damages, including economic loss,
26 damage to reputation, emotional distress, and interference with Plaintiff's normal and
27 usual activities for which Plaintiff seeks damages in an amount to be determined by the
28 trier of fact.

54. Defendant ARC's conduct, action, and inaction were willful, rendering Defendant liable to Plaintiff for punitive damages pursuant to 15 U.S.C. §1681n.

55. In the alternative, Defendant ARC was negligent, entitling Plaintiff to recover damages under 15 U.S.C. §1681o.

56. Plaintiff is entitled to recover costs and attorneys' fees from Defendant ARC pursuant to 15 U.S.C. §1681n and/or 15 U.S.C. §1681o.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff seeks a reasonable and fair judgment against Defendants for willful noncompliance of the Fair Credit Reporting Act and seeks their statutory remedies as defined by 15 U.S.C. § 1681 and demands:

- A. Trial by jury;
- B. Actual damages to be proven at trial, or statutory damages pursuant to 15 U.S.C. § 1681n(a)(1)(A), of not less than \$100 and not more than \$1,000 per violation;
- C. Punitive damages, pursuant 15 U.S.C. § 1681n(a)(2), for Defendant's willful violation;
- D. The costs of instituting this action together with reasonable attorney's fees incurred by Plaintiff pursuant to 15 U.S.C. § 1681n(a)(3); and
- E. Any further legal and equitable relief as the court may deem just and proper in the circumstances.

Respectfully submitted April 15, 2024.

/s/ Trescot Gear
Gear Law, LLC
1405 W. Swann Ave.
Tampa, FL 33606

Mailing Address:
McCarthy Law, PLC

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4250 North Drinkwater Blvd, Suite 320
Scottsdale, AZ 85251
Telephone: (602) 456-8900
Fax: (602) 218-4447
Attorney for Plaintiff